

REMARKS

This communication responds to the *Office Action* dated October 15, 2010. Applicants have amended claims 29, 34, 35, 41, 59, and 66. Support for the claim amendments may be found at, for example, Fig. 14 and paragraphs [0130] and [0131] of Applicants' as-filed specification.¹ Claims 21-25, 32, 33, 54-58, and 79-83 were previously canceled and no claims are presently canceled. Claims 3-7, 9-20, 28, 30, 31, 36-39, 42-53, 61-65, and 67-78 are withdrawn from consideration. No claims are added. Consequently, claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59, 60, and 66 remain pending in this application.

Double Patenting Rejection

On page 2 of the *Office Action*, the Examiner stated that, "Claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59, 60 and 66 of this application conflict with claims 1, 2, 9, 10, 17, 18, 25, 26 of Application No. 10/749,625."² However, on August 24, 2009, Applicants filed a Terminal Disclaimer directed to 10/749,625, to obviate this same rejection raised in a prior *Office Action*. Since Applicants have already filed a Terminal Disclaimer directed to 10/749,625, Applicants request the Examiner remove the double patenting rejection.

Rejection of the Claims under 35 U.S.C. §101

On page 3 of the *Office Action*, the Examiner rejected all pending claims under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Specifically, the Examiner stated that,

Claims 1, 2, [and] 8 are directed to a system however the involvement of the machine is merely nominal, insignificant, or tangentially related to the performance of the steps i.e. the execution is from the memory by the processor and does not necessarily involve the processor in the determining step. [T]he publishing step does not involve a Machine and is considered to be

¹ Paragraph and figure references are provided herein with reference to Applicants' U.S. Published Patent Application No. 2004/0215527.

² *Office Action* at 2.

a step performed by a human and does not rise to the level of patentability under USC 101.³

The Examiner further stated that independent claims 59 and 66 fail the “machine-or-transformation test.”⁴ Applicants respectfully traverse the rejection with reference to independent claims 1, 8, 59, and 66.

Applicants’ independent claims 1 and 8 recite, *inter alia*, either “an auction price-setting process executed from the memory by the processor to determine that a high proxy bid submitted by a buyer for an item is less than a reserve price set by a seller for the item, and publish, based on the determining, to the seller a proxy bid information” (claim 1) or “an auction price-setting process executed from the memory by the processor to determine that a high proxy bid submitted by a buyer for an item is less than a reserve price set by a seller for the , and based on the determining, exchange between the buyer and the seller a proxy bid information” (claim 8). In both claims, *the process is executed* from the memory *by the processor*. In turn, *the processor* either *publishes* information or *exchanges* information. Thus, contrary to the Examiner’s assertions, the process is executed by the processor and either publishes or exchanges information using the processor. Thus, the processor, a machine, is executing the process and publishing or exchanging information. Applicants therefore assert that independent claims 1 and 8 are statutory since each is specifically tied to a processor. According to required policy initiated by the USPTO in the *Interim Guidelines* recently issued, the processor is considered as, “A particular practical application of a judicial exception [that] is eligible.”⁵

Similarly, independent claims 59 and 66 have been amended to recite, *inter alia*, either “determining, using at least one processor” (claim 59) or “exchanging, using at least one processor” (claim 66). Thus, the processor of claims 59 and 66 also renders these claims, and claims depending therefrom, as being patent-eligible.

³ *Id.* at 3.; primary emphasis in original, secondary emphasis added.

⁴ *Id.* at 4.

⁵ See *Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. §101* (August 25, 2009) at 16 (see slide no. 5).

The Examiner also rejected claims 26, 27, 34, 35, and 41 as allegedly being directed to non-statutory subject matter because they “try to claim a signal.”⁶ Applicants’ independent claims 26 (and claim 29, not rejected under this same rationale) are each statutory since they are each means-plus-function type claims. Means-plus-function claims are statutory type claims finding their basis in Title 35 of the United States Code. “An element in a claim for a combination may be expressed as a means or step for performing a specified function *without the recital of structure, material, or acts in support thereof*, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.”⁷ Therefore, Applicants assert that claims 26 and 29, and claims depending therefrom, are statutory based on the Congressionally-written Code.

Applicants have amended independent claims 34 and 41 to recite, *inter alia*, “A non-transitory computer-readable storage medium.” According to recent instructions issued by the USPTO, “A claim drawn to such a computer readable medium . . . may be amended to narrow the claim to cover only *statutory embodiments* to avoid a rejection under 35 U.S.C. § 101 by adding the limitation ‘non-transitory’ to the claim.”⁸ The USPTO has instructed that, “Such an amendment would typically not raise the issue of new matter.”⁹ Therefore, Applicants assert that claim 34 and 41, and claims depending therefrom, are being patent-eligible.

In light of standing policy at the USPTO, applicable case law, and relevant US Statutes (as embodied in 35 U.S.C.), Applicants respectfully request the Examiner reconsider and remove the rejection under 35 U.S.C. §101 with reference to claims 1-2, 8, 26, 27, 29, 34, 35, 41, 59, 60, and 66.

The Rejection of Claims Under 35 U.S.C. §103(a)

On page 6 of the *Office Action*, the Examiner rejected claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59, 60, and 66 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Published Patent

⁶ *Office Action* at 5.

⁷ U.S.C. §112, sixth paragraph; emphasis added.

⁸ USPTO Notice, “Subject Matter Eligibility of Computer Readable Media,” issued January 26, 2010; emphasis added.

⁹ *Ibid.*

Application No. 2002/0161691 to *Nishi* in view of U.S. Published Patent Application No. 2001/0032175 to Holden et al. (*Holden*). Applicants respectfully traverse the rejection.

The basis for an obviousness rejection is grounded in a consideration of all claim elements. “All words in a claim must be considered in judging the patentability of that claim against the prior art.”¹⁰ Additionally, to render the claimed subject matter obvious, the prior art references must teach or suggest every feature of the claims.¹¹ Applicant will show that the cited references, either singly or in combination, neither teach nor suggest all limitations of Applicants’ claims.

For example, Applicants’ independent claim 1 recites, *inter alia*,

[A]n auction price-setting process executed from the memory by the processor to

determine that a high proxy bid submitted by a buyer for an item is less than a reserve price set by a seller for the item, and

publish, based on the determining, **to the seller a proxy bid information, the proxy bid information including the high proxy bid**, and the proxy bid information being associated with a listing for the item during an auction price-setting process.¹²

Each of Applicant’s other independent claims, namely claims 8, 26, 29, 34, 41, 59, and 66, share at least some limitations similar to those of claim 1 recited above.

As a threshold issue, the Examiner stated in the *Response to Arguments* section that,

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., [*sic*, e.g.,] proxy bid information including the reserve price) are not recited in the rejected claim(s).

¹⁰ *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). See also MPEP § 2143.03.

¹¹ See Manual of Patent Examining Procedure §§ 706.02(j), 2143(A) (2008); MPEP § 2142 (2006) (citing *In re Vaeck*, 947 F.2d, 488 (Fed. Cir. 1991)). Cited approvingly in *Ex parte WEN WEN* and *PATRICIA NG* at 7; Appeal No. 2009-000776; decided September 25, 2009.

¹² Emphasis added.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims.¹³

Applicants assert that independent claims 1, 8, 26, 34, and 59 as previously presented recite, for example, that a determination is made that a high proxy bid is less than a *reserve price*. Further, Applicants have amended independent claims 29, 41, and 66 to positively recite a reserve price. Therefore, a reserve price is positively recited in each independent claim.

In contrast to Applicants' claims, Applicants submit that *Nishi* and *Holden*, singularly or in combination, do not teach or suggest at least the limitation of "**determine that a high proxy bid submitted by a buyer for an item is less than a reserve price**"¹⁴ as recited by Applicants' claim 1.

Nishi, at most, discusses an auction system where if "no bid is above the reserve price proposed by the assessor . . . the assessor can designate the buyer who bid the highest price as the successful bidder. . . . The first bidder who enters a price that is above the reserve price can see an indication that tells that he (she) [*sic*] was the first bidder who entered a price that was above the reserve price."¹⁵ However, determining that a *bid* is above or below a reserve price is not the same as determining that a *high proxy bid* submitted by a buyer is less than a reserve price. A mere bid is not the same as a high proxy bid as the high proxy bid may never be considered in an auction. In contrast to a high proxy bid, a "bid" will always be considered provided the auction is still open.

Holden merely discusses a method and system for providing an on-line auction that allows a supplier to sell goods closer to real market prices than offering the commodity via telephone, facsimile, or electronic mail.¹⁶ However, in contrast to Applicants' claimed elements, *Holden* does not teach or suggest determining that a high proxy bid submitted by a buyer for an item is less than a reserve price set by a seller.

¹³ *Office Action* at 9.

¹⁴ Emphasis added.

¹⁵ *Nishi* at paragraphs [0024] and [0027].

¹⁶ See *Holden* at paragraph [0029].

Since Applicants have shown that not all the claimed elements were known as required relevant case law or the MPEP, either by *Nishi* singly or in combination with *Holden*, Applicants respectfully request the Examiner to reconsider and withdraw the rejection under 35 U.S.C. §103 with regard to independent claims 1, 8, 26, 29, 34, 41, 59, and 66. Further, since claims 2, 27, 35, and 60 depend either directly or indirectly from one of the independent claims just discussed, these dependent claims are also allowable for at least the same reasons as the claims from which they depend. Further, these dependent claims each may contain additional patentable subject matter.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned attorney at (408) 660-2015 to facilitate prosecution of this application.


If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 10 day of January, 2011.

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